

# Portfolio Holdings and Characteristics

P I M C O

Account No. 1420

August 31, 2009

Bank No. PC9M

## State of Montana Public Employee Deferred Comp Plan

The information contained within this report is for informational purposes only and is intended to provide an overview of portfolio risk characteristics and an accounting-based view of portfolio holdings. This report is not intended for use in calculation of exposures for compliance purposes. Individual positions contained in this report reflect single sector exposures only, whereas such positions may impact multiple exposure calculations within compliance tests. The differences in calculating risk characteristics and accounting exposures versus compliance requirements are not captured or reflected within this standardized report.

# Pacific Investment Management Company

## State of Montana Public Employee Deferred Comp Plan

Account No: 1420

Flash Report  
as of August 31, 2009

Summary Information	
<b>Net Market Value</b>	<b>197,812,666.80 USD</b>
Estimated Income	6,839,458.40 USD
Effective Duration	4.01 yrs
Duration Variance to Index	+0.11 yrs
Current Yield	3.46 %
Estimated Yield To Maturity	4.08 %
Effective Maturity <sup>2</sup>	4.11 yrs
Average Coupon	3.27 %
Average Quality <sup>2</sup>	AA+

	Portfolio Before Fees	Portfolio After Fees	Benchmark <sup>1</sup>
YTD	10.94%	10.70%	4.04%
1 Month	2.08	2.01	0.99
3 Months	6.27	6.19	2.86
6 Months	12.42	12.26	5.08
9 Months	17.28	17.04	7.09
12 Months	5.30	5.00	6.81
2 Years*	6.22	5.93	6.43
3 Years*	6.16	5.86	6.13
5 Years*	4.80	4.50	4.54
10 Years*	N/A	N/A	N/A
Since Inception Dec 31, 2001*	5.35%	5.05%	5.11%
Tracking Error (3 Years)	4.76		
Information Ratio (3 Years)	0.03		

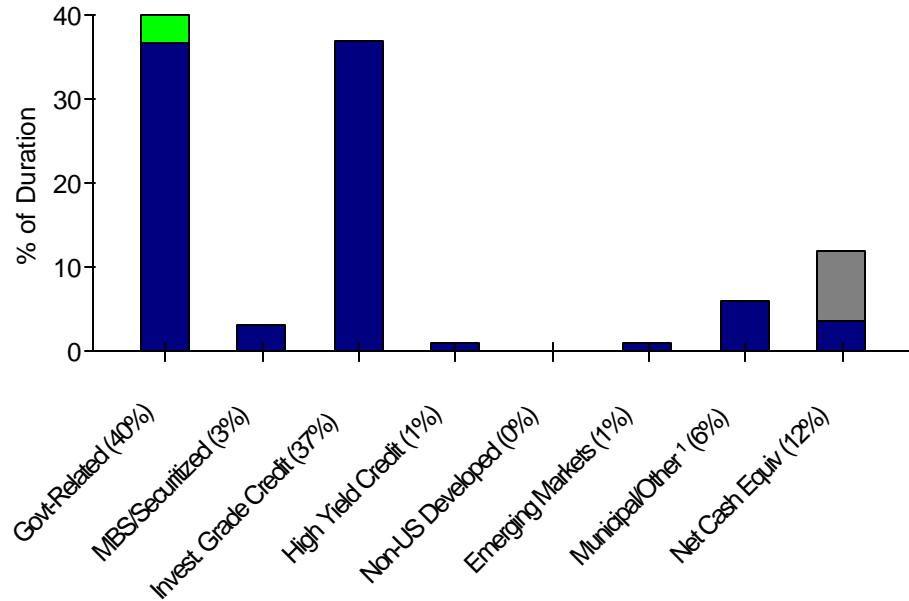
\* For periods of 12 months or more, the return is annualized

PIMCO generated performance as of 09/08/2009

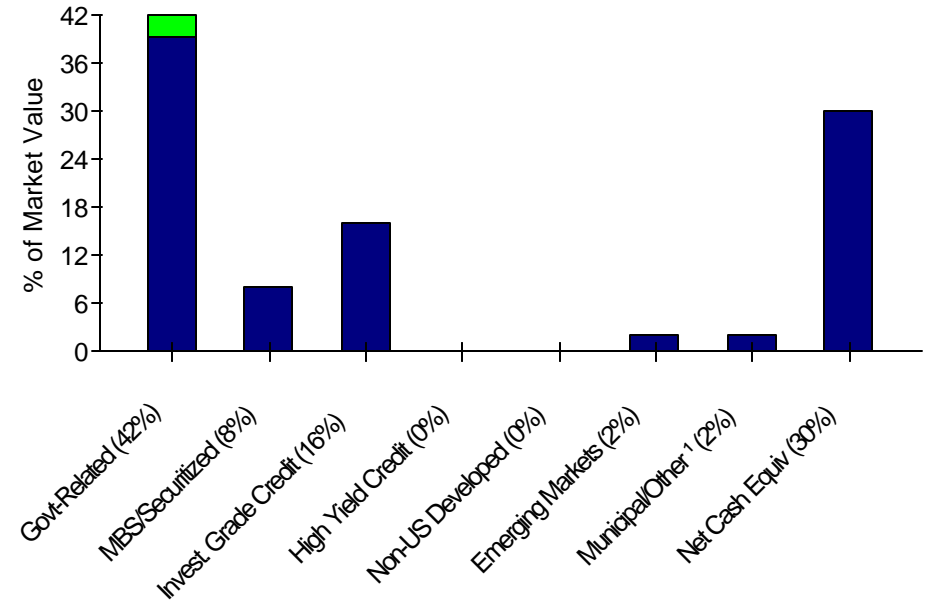
<sup>1</sup> Barclays Capital Intermediate Government/Credit Index

<sup>2</sup> Portfolio characteristics are calculated using the weighted average characteristics of each individual position. Derivative exposures are integrated into these characteristics at "bond equivalent value", which approximates the delta-adjusted notional exposure. Amortizing assets and those with embedded options (such as mortgage-backed securities and callable bonds) are included in maturity statistics based on the expected life of these instruments. Varying mathematical protocols may be applied across characteristics as needed to best capture the risk profile of each type of exposure. For example, sector allocations will include all positions at bond-equivalent value, whether settled or unsettled, while quality tiers will include only settled positions aggregated at market value. Average quality indicates the portfolio's expected sensitivity to changes in credit spreads; consequently, bond futures and interest rate swaps are included in this calculation at bond equivalent value, rather than market value, to best reflect this sensitivity.

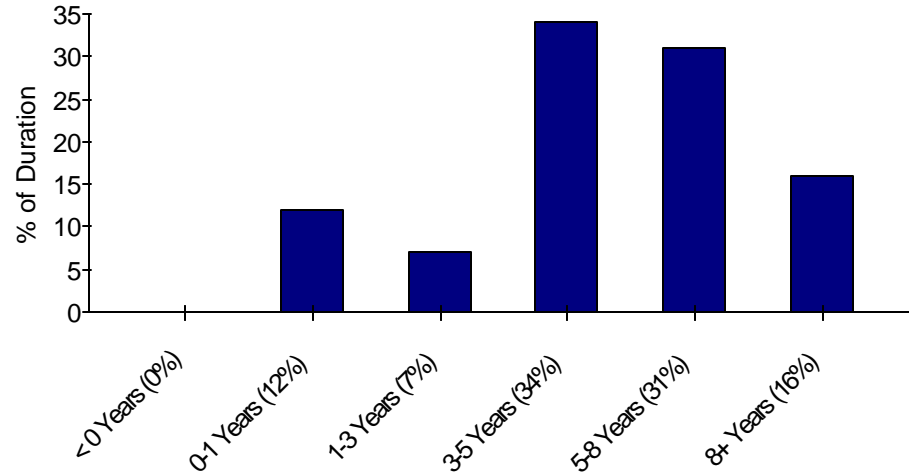
Sector - Duration Weighted



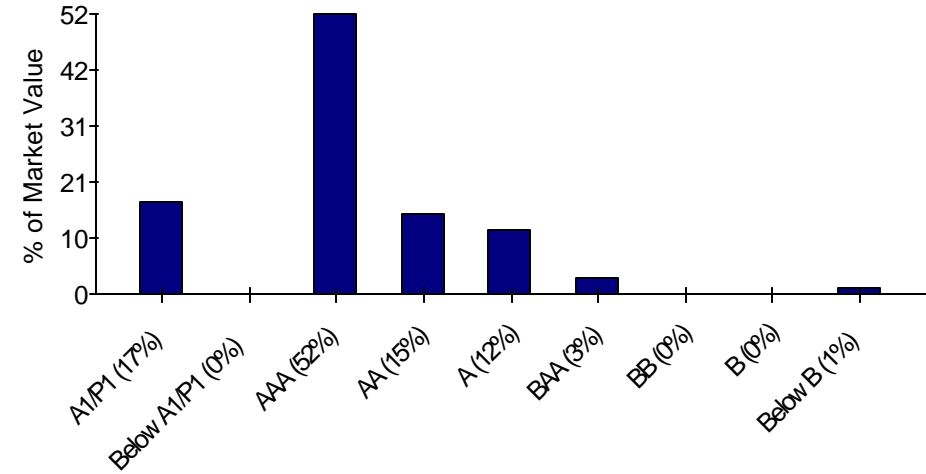
Sector - Market Value Weighted



Maturity - Duration Weighted



Quality<sup>2</sup> - Market Value Weighted



\* Derivatives included at bond-equivalent exposure where appropriate

<sup>1</sup>Includes municipals, private placements, preferred stocks, and convertibles

<sup>2</sup>Credit quality detail statistics are designed to reflect a portfolio's exposure to default risk. Consequently, this calculation includes only settled or funded positions, and incorporates interest rate swaps at market value rather than bond equivalent value.

■ Inflation Protected Securities  
■ Money Market Futures

	% of Duration	% of Mkt Value	Total Mkt Value <sup>1</sup>
<b>Government Related</b>	<b>40.3 %</b>	<b>41.9 %</b>	<b>83,097,246.17</b>
Treasury	6.8	3.5	6,942,178.10
Inflation Protected Bonds	3.4	2.7	5,398,979.34
Inflation Protected Securities	3.4	2.7	5,398,979
Other	30.1	35.7	70,756,088.73
Government Futures - U.S.	26.5	32.6	64,578,156
Interest Rate Swaps	3.6	3.1	6,177,932
<b>MBS/Securitized</b>	<b>2.6 %</b>	<b>8.1 %</b>	<b>16,027,633.01</b>
FNMA	1.7	3.3	6,496,162.16
FHLMC	0.2	0.4	753,093.09
GNMA	0.2	0.3	566,736.26
Home Equity ABS	0.0	0.0	51,575.56
Non-Agency Hybrid ARM	0.5	1.4	2,847,736.46
Non-Agency Pay Option ARM	0.0	1.4	2,681,306.32
Other	0.0	1.3	2,631,023.16
Credit Default Swaps	0.0	1.3	2,631,023
<b>Invest. Grade Credit</b>	<b>37.0 %</b>	<b>15.8 %</b>	<b>31,281,003.61</b>
Energy & Power	0.8	0.1	72,294.92
Nominal Bonds	0.8	0.5	927,542
Credit Default Swaps	0.0	-0.4	-855,247
Communication	1.8	0.7	1,283,057.41
Nominal Bonds	1.8	1.7	3,294,767
Credit Default Swaps	0.0	-1.0	-2,011,710
Finance and Real Estate	19.0	13.1	25,948,949.98
Nominal Bonds	19.0	12.6	25,007,267
Credit Default Swaps	0.0	0.5	941,683
Commodity related	4.0	1.8	3,617,822.19
Nominal Bonds	4.0	2.4	4,741,350
Credit Default Swaps	0.0	-0.6	-1,123,528
Other	11.4	0.1	358,879.11
Nominal Bonds	11.4	7.0	13,935,666

<sup>1</sup>Swaps and Futures are reported above at bond equivalent exposure and offset in "Net Cash Equivalents". Refer to the Cash Equivalent Summary at the back of the Portfolio Inventory report for details.

	% of Duration	% of Mkt Value	Total Mkt Value <sup>1</sup>
Credit Default Swaps	0.0	-6.9	-13,576,787
<b>High Yield Credit</b>	<b>1.3 %</b>	<b>0.2 %</b>	<b>543,334.55</b>
<b>Energy &amp; Power</b>	<b>0.0</b>	<b>0.1</b>	<b>252,229.75</b>
<b>Finance and Real Estate</b>	<b>0.1</b>	<b>0.1</b>	<b>285,555.49</b>
Nominal Bonds	0.1	0.1	230,246
Credit Default Swaps	0.0	0.0	55,310
<b>Other</b>	<b>1.2</b>	<b>0.0</b>	<b>5,549.31</b>
Nominal Bonds	1.2	0.8	1,553,722
Credit Default Swaps	0.0	-0.8	-1,548,172
<b>Emerging Markets</b>	<b>0.7 %</b>	<b>2.4 %</b>	<b>4,760,813.96</b>
<b>Pooled Funds</b>	<b>0.7</b>	<b>2.4</b>	<b>4,760,813.96</b>
<b>Municipal/Other</b>	<b>6.2 %</b>	<b>2.0 %</b>	<b>3,876,149.00</b>
<b>Municipal</b>	<b>6.2</b>	<b>2.0</b>	<b>3,876,149.00</b>
<b>Net Cash Equivalents</b>	<b>11.9 %</b>	<b>29.6 %</b>	<b>58,226,486.50</b>
<b>Net Cash Equivalents</b>	<b>11.9</b>	<b>29.6</b>	<b>58,226,486.50</b>
<b>TOTAL</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>197,812,666.80</b>

<sup>1</sup>Swaps and Futures are reported above at bond equivalent exposure and offset in "Net Cash Equivalents". Refer to the Cash Equivalent Summary at the back of the Portfolio Inventory report for details.

**PACIFIC INVESTMENT MANAGEMENT COMPANY**

Account No: 1420 State of Montana Public Employee Deferred Comp Plan

**Portfolio Inventory**

As Of Date: 08/31/2009

CUSIP	Description	ISIN	Coupon	Maturity	Rating	Effective Duration	Current Yield	% of Mkt Val	Par/Shares	Price	Cost USD Total	Market Price USD Total	Accrued Interest
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Currency/American Quote:1.00000

**UNITED STATES**

Currency/European Quote:1.00000

**CASH EQUIVALENTS (Duration <= 1 Year, Quality >= BAA)**

**CASH EQUIVALENTS**

**CASH COLLATERAL**

CCBPSIUS1	CASH COLLATERAL ISDA BPS USD		0.15%	12/31/2060	A1+	0.00	0.15%	0.13%	250,000	100.000	250,000	100.000	250,000	35
CCGSTIUS9	CASH COLLATERAL ISDA GST USD		0.15%	12/31/2060	A1+	0.00	0.15%	2.13%	4,220,000	100.000	4,220,000	100.000	4,220,000	562
CCMYCIUS7	CASH COLLATERAL ISDA MYC USD		0.15%	12/31/2060	A1+	0.00	0.15%	0.14%	280,000	100.000	280,000	100.000	280,000	39
CCSLHDUS5	CASH COLLATERAL DOM MSF SLH USD			12/31/2060	A1+	0.00		0.71%	1,400,000	100.000	1,400,000	100.000	1,400,000	0
CSH00GSC7	CASH COLLATERAL FUTS GSC USD		0.05%	12/31/2060	A1+	0.00	0.05%	0.07%	141,000	100.000	141,000	100.000	141,000	6
CSH00MLP2	CASH COLLATERAL FUTS MLP USD		0.05%	12/31/2060	A1+	0.00	0.05%	0.00%	1,000	100.000	1,000	100.000	1,000	0
SUBTOTAL								3.18%			6,292,000		6,292,000	641

**POOLED FUNDS**

722005402	PIMCO PRV SHORTTERM-SECT FD(742)		3.42%	09/01/2010	AA-	0.93	3.42%	5.95%	1,394,447	8.991	12,537,665	8.440	11,769,137	0
SUBTOTAL								5.95%			12,537,665		11,769,137	0
<b>TOTAL CASH EQUIVALENTS</b>								<b>9.13%</b>			<b>18,829,665</b>		<b>18,061,137</b>	<b>641</b>

**SHORT-TERM INVESTMENT FUNDS <sup>1</sup>**

**SHORT-TERM INVESTMENT FUNDS**

899100499	FINL FUTURES MAINTENANCE ACCT		0.01%	12/01/2015	A1+	0.00	0.01%	0.44%	871,115	100.000	871,115	100.000	871,115	0
9840608A4	STATE STREET REPO		0.01%	12/01/2015	A1+	0.00		0.00%	1	100.000	1	100.000	1	78
SUBTOTAL								0.44%			871,116		871,116	78
<b>TOTAL SHORT-TERM INVESTMENT FUNDS</b>								<b>0.44%</b>			<b>871,116</b>		<b>871,116</b>	<b>78</b>

**TREASURIES/AGENCIES**

**COMMERCIAL PAPER**

313385LM6	FEDERAL HOME LOAN BANK DISC NT	US313385LM60	0.17%	09/09/2009	A1+	0.02	0.17%	4.90%	9,700,000	99.987	9,698,717	99.987	9,698,717	916
SUBTOTAL								4.90%			9,698,717		9,698,717	916

**REPURCHASE AGREEMENTS**

UAR9I7003	U S AGENCY REPO		0.20%	09/08/2009	AAA	0.00	0.20%	3.74%	7,400,000	100.000	7,400,000	100.000	7,400,000	41
SUBTOTAL								3.74%			7,400,000		7,400,000	41
<b>TOTAL TREASURIES/AGENCIES</b>								<b>8.64%</b>			<b>17,098,717</b>		<b>17,098,717</b>	<b>957</b>

1. Short Term Investment Funds (STIF) represent residual cash for month-end reporting purposes. It does not indicate an actual holding of a security.

**PACIFIC INVESTMENT MANAGEMENT COMPANY**

Account No: 1420 State of Montana Public Employee Deferred Comp Plan

**Portfolio Inventory**

As Of Date: 08/31/2009

CUSIP	Description	ISIN	Coupon	Maturity	Rating	Duration	Effective Yield	Current % of Mkt Val	Par/Shares	Cost		Market		Accrued Interest
										Price	USD Total	Price	USD Total	

Currency/American Quote:1.00000

**UNITED STATES**

Currency/European Quote:1.00000

**CASH EQUIVALENTS (Duration <= 1 Year, Quality >= BAA)**

**MORTGAGES**

**REPURCHASE AGREEMENTS**

UMR9I0028	U S MTGE REPO		0.21%	09/01/2009	AAA	0.00	0.21%	10.01%	19,800,000	100.000	19,800,000	100.000	19,800,000	116
UMR9I0044	U S MTGE REPO		0.21%	09/01/2009	AAA	0.00	0.21%	9.45%	18,700,000	100.000	18,700,000	100.000	18,700,000	109
SUBTOTAL								19.46%			38,500,000		38,500,000	225

**SHORT TERM ADJUSTABLE RATE MORTGAGES**

07384M7C0	BSARM 2005-2 A1 1YRCMT+245	US07384M7C06	2.90%	03/25/2035	AAA	0.50	3.31%	0.42%	955,607	97.699	933,621	87.719	838,247	2,309
07386HSZ5	BALTA 2005-4 23A2 AS WM35 WC5.8	US07386HSZ54	5.35%	05/25/2035	AAA	0.50	7.40%	0.10%	271,358	101.059	274,230	72.406	196,478	1,211
161630AA6	CHASE 2007-A1 1A1 ARM WM34 WC4.62	US161630AA63	4.59%	02/25/2037	AAA	0.75	5.01%	0.21%	456,451	98.906	451,459	91.759	418,834	1,748
31395A3J2	FSPC T-61 1A1 12MTA+140	US31395A3J20	2.61%	07/25/2044	AAA	0.00	2.65%	0.43%	867,844	101.180	878,082	98.525	855,042	1,887
31409URU1	FN ARM 878999 1YRLIB+162.5 10.9	US31409URU15	4.45%	02/01/2036	AAA	0.89	4.30%	0.21%	406,504	99.016	402,503	103.288	419,870	1,506
362341RX9	GSR 2005-AR6 2A1 WM35 WC4.9	US362341RX95	4.22%	09/25/2035	AAA	0.50	4.52%	0.21%	438,955	99.406	436,349	93.390	409,940	1,543
576433GF7	MARM 2003-6 3A1 ARM WM33 WC4.947	US576433GF78	5.48%	12/25/2033	AAA	0.75	6.06%	0.19%	414,692	97.937	406,139	90.333	374,605	1,892
86359LPD5	SAMI 2005-AR5 A1 1MLIB+25	US86359LPD54	0.53%	07/19/2035	AAA	0.00	0.70%	0.03%	84,342	98.125	82,761	75.687	63,836	15
SUBTOTAL								1.81%			3,865,143		3,576,851	12,112

**SHORT TERM COLLATERALIZED MORTGAGE OBLIGATIONS**

31393EUZ0	FNR 2003-88 F SEQ 1MLIB+65	US31393EUZ05	0.92%	05/25/2030	AAA	0.00	0.92%	0.33%	645,054	99.750	643,442	99.899	644,404	98
31393EVE6	FNR 2003-88 FE SEQ 1MLIB+60	US31393EVE66	0.87%	05/25/2030	AAA	0.00	0.87%	0.10%	200,189	100.266	200,721	99.995	200,178	29
31394D2N9	FNR 2005-47 PA WM32 WC5.9219	US31394D2N97	5.50%	09/25/2024	AAA	0.00	5.47%	0.10%	198,021	99.664	197,356	100.613	199,236	908
31397JTZ7	FHR 3346 FA 1ML+23	US31397JTZ74	0.50%	02/15/2019	AAA	0.00	0.51%	0.22%	444,433	99.977	444,328	99.135	440,587	99
79549AQP7	SBM7 2002-1-A1 1ML+50 144A	US79549AQP74	0.77%	05/25/2032	AAA	0.00	0.84%	0.03%	67,853	100.000	67,853	90.900	61,678	9
SUBTOTAL								0.78%			1,553,701		1,546,083	1,143

**SHORT TERM PASS-THRU CERTIFICATES**

01F060691	FNMA TBA 6.00% SEP	US01F0606917	6.00%	09/14/2039	AAA	0.98		-1.06%	-2,000,000	104.081	-2,081,625	105.234	-2,104,688	0
01F0606A8	FNMA TBA 6.00% OCT	US01F0606A83	6.00%	10/14/2039	AAA	0.98		-2.23%	-4,200,000	104.625	-4,394,250	104.859	-4,404,095	0
01N060692	GNMA I TBA 6.00% SEP	US01N0606929	6.00%	09/22/2039	AAA	0.98		0.27%	500,000	104.563	522,813	105.422	527,110	0
31410GFR9	FNMA PASS THRU MTG #888576	US31410GFR92	6.00%	08/01/2037	AAA	0.98	5.69%	0.50%	928,651	103.367	959,920	105.479	979,527	4,643
31410KJY1	FNMA PASS THRU MTG #889579	US31410KJY10	6.00%	05/01/2038	AAA	0.98		0.00%	0	0.000	0	105.479	0	1,028
31412NH82	FNMA PASS THRU MTG #930055	US31412NH826	6.00%	10/01/2038	AAA	0.98	5.69%	1.35%	2,536,401	103.137	2,615,961	105.447	2,674,566	12,682
31413CF53	FNMA PASS THRU MTG #941288	US31413CF532	6.00%	07/01/2037	AAA	0.98	5.69%	1.02%	1,916,440	103.469	1,982,917	105.447	2,020,834	9,582
31413KQU8	FNMA PASS THRU MTG #947867	US31413KQU87	6.00%	10/01/2037	AAA	0.98	5.69%	0.01%	17,727	103.137	18,283	105.447	18,693	89
31413VRH2	FNMA PASS THRU MTG #956888	US31413VRH23	6.00%	11/01/2037	AAA	0.98	5.69%	0.40%	755,451	103.137	779,148	105.447	796,603	3,777
31414J6K4	FNMA PASS THRU MTG #968074	US31414J6K40	6.00%	01/01/2038	AAA	0.98	5.69%	0.15%	274,948	103.137	283,572	105.478	290,009	1,375
31414JRF2	FNMA PASS THRU MTG #967686	US31414JRF20	6.00%	12/01/2036	AAA	0.98	5.66%	0.02%	37,170	103.137	38,336	105.947	39,380	186

**PACIFIC INVESTMENT MANAGEMENT COMPANY**

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**Portfolio Inventory**

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CUSIP	Description	ISIN	Coupon	Maturity	Rating	Duration	Effective	Current	% of	Par/Shares	Cost		Market		Accrued Interest
							Yield	Yield	Mkt Val		Price	USD Total	Price	USD Total	

Currency/American Quote:1.00000

**UNITED STATES**

Currency/European Quote:1.00000

**CASH EQUIVALENTS (Duration <= 1 Year, Quality >= BAA)**

**MORTGAGES**

**SHORT TERM PASS-THRU CERTIFICATES**

36201QV42	GNMA PASS THRU SGL FAML #590235X	US36201QV426	6.00%	08/15/2032	AAA	0.98	5.63%	0.02%		36,755	101.844	37,433	106.564	39,168	184
36202TD86	GNMA PASS THRU SGL FAML #608627X	US36202TD863	6.00%	06/15/2034	AAA	0.98	5.65%	0.02%		28,436	101.844	28,960	106.158	30,187	142
36241K2U1	GNMA PASS THRU SGL FAML #782587X	US36241K2U18	6.50%	02/15/2039	AAA	0.86	6.10%	0.17%		320,901	104.063	333,937	106.534	341,869	1,738
36294SQT7	GNMA PASS THRU SGL FAML #658466X	US36294SQT77	6.00%	01/15/2037	AAA	0.98	5.68%	0.02%		31,433	101.844	32,013	105.642	33,207	157
36295MZJ1	GNMA PASS THRU SGL FAML #674945X	US36295MZJ16	6.00%	11/15/2037	AAA	0.98	5.68%	0.38%		702,682	104.563	734,742	105.611	742,112	3,513
36296A2Y9	GNMA PASS THRU SGL FAML #685791X	US36296A2Y92	6.00%	05/15/2038	AAA	0.98	5.68%	1.41%		2,640,843	104.562	2,761,332	105.626	2,789,417	13,204
36296QBV0	GNMA PASS THRU SGL FAML #697652X	US36296QBV05	6.00%	10/15/2038	AAA	0.98	5.68%	0.87%		1,621,513	104.562	1,695,495	105.627	1,712,756	8,108
36296R3P0	GNMA PASS THRU SGL FAML #699306X	US36296R3P05	6.00%	10/15/2038	AAA	0.98	5.68%	0.29%		550,615	104.547	575,651	105.627	581,598	2,753
36296R3P0	GNMA PASS THRU SGL FAML #699306X	US36296R3P05	6.00%	10/15/2038	AAA	0.98	5.68%	3.29%		6,165,674	104.547	6,446,020	105.627	6,512,617	30,828
SUBTOTAL								6.89%				13,370,657		13,620,869	93,989
<b>TOTAL MORTGAGES</b>								<b>28.94%</b>				<b>57,289,500</b>		<b>57,243,803</b>	<b>107,469</b>

**CORPORATES**

**FLOATING RATE NOTES**

02580EBS1	AMERICAN EXPRESS BK FSB FRN SR UNS	US02580EBS19	0.32%	04/26/2010	A	0.08		0.20%		400,000	99.022	396,088	98.985	395,939	29
02581FXZ7	AMERICAN EXPRESS CENTURION SR UN	US02581FXZ79	0.43%	06/12/2012	A+	0.08	0.45%	0.62%		1,300,000	77.750	1,010,750	94.065	1,222,850	307
02687QBD9	AIG FRN GLBL	US02687QBD97	0.62%	10/18/2011	A-	0.25	0.73%	0.09%		200,000	73.000	146,000	84.827	169,654	148
14149YAR9	CARDINAL HEALTH INC GLBL SR UNSEC	US14149YAR99	0.87%	10/02/2009	BAA+	0.08	0.86%	0.40%		800,000	100.000	800,000	100.011	800,090	1,173
14912L3X7	CATERPILLAR FIN SERV CRP FRN MTN	US14912L3X71	1.35%	06/24/2011	A	0.07	1.35%	0.91%		1,800,000	100.000	1,800,000	100.464	1,808,357	4,537
634902LQ1	NATIONAL CITY BANK SR UNSEC FRN BK	US634902LQ10	0.70%	06/18/2010	A+	0.05	0.71%	0.20%		400,000	89.250	357,000	99.438	397,752	555
761713AS5	REYNOLDS AMERICAN INC GLBL FRN	US761713AS52	1.33%	06/15/2011	BAA	-0.01	1.41%	0.91%		1,900,000	100.000	1,900,000	94.558	1,796,593	5,473
887317AA3	TIME WARNER INC FRN	US887317AA30	0.68%	11/13/2009	BAA	0.19	0.68%	0.51%		1,000,000	100.089	1,000,890	100.015	1,000,149	361
92976FCX9	WACHOVIA BANK NA GLBL SR UNSEC FR	US92976FCX96	1.35%	05/14/2010	AA	0.20	1.34%	0.30%		600,000	93.875	563,250	100.455	602,727	405
SUBTOTAL								4.14%				7,973,978		8,194,111	12,988

**SHORT TERM ASSET BACKED SECURITIES**

04541GLG5	ABSHE 2004-HE6 A1 1MLIB+27.5	US04541GLG54	0.54%	09/25/2034	AAA	0.00	0.82%	0.02%		63,042	100.070	63,087	65.602	41,357	7
12666CAB9	CWL 2006-23 2A1 STEP 1MLIB+5	US12666CAB90	0.32%	05/25/2037	AAA	0.00	0.33%	0.09%		192,872	99.961	192,796	96.895	186,883	12
SUBTOTAL								0.12%				255,883		228,240	18



PACIFIC INVESTMENT MANAGEMENT COMPANY

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Currency/American Quote:1.00000

UNITED STATES

Currency/European Quote:1.00000

CASH EQUIVALENTS (Duration <= 1 Year, Quality >= BAA)

CORPORATES

SHORT TERM NOTES - PRIVATE PLACEMENTS

59217EBF0	METLIFE GLBL FUNDING I FRN 144A	US59217EBF07	0.48%	05/17/2010	AA	0.20	0.48%	1.21%	2,400,000	99.972	2,399,329	99.330	2,383,915	480
SUBTOTAL								1.21%			2,399,329		2,383,915	480
TOTAL CORPORATES								5.46%			10,629,190		10,806,266	13,486

EUROS / YANKEES

SHORT TERM NOTES - PRIVATE PLACEMENTS

6325C0AN1	NATIONAL AUSTRALIA BANK FRN BD 144A	US6325C0AN17	0.91%	02/08/2010	AA+	0.18	0.91%	0.45%	900,000	100.000	900,000	99.991	899,917	503
SUBTOTAL								0.45%			900,000		899,917	503
TOTAL EUROS / YANKEES								0.45%			900,000		899,917	503

OPTIONS

OPTIONS FIXED INCOME

EDU9P0099	CME APUT EURO\$PUT 9/09 @ 98.5			09/14/2009	AAA	0.25		-0.00%	-21,000,000	0.091	-4,764	0.003	-131	0
SUBTOTAL								-0.00%			-4,764		-131	0
TOTAL OPTIONS								-0.00%			-4,764		-131	0

TOTAL CASH EQUIVALENTS (Duration <= 1 Year, Quality >= BAA)

53.07%

105,613,425

104,980,826

123,134

BONDS (Duration > 1 Year, and/or Quality < BAA)

TREASURIES/AGENCIES

US TREASURIES

912810QB7	U S TREASURY BOND	US912810QB70	4.25%	05/15/2039	AAA	17.29	4.20%	0.51%	1,000,000	99.104	991,041	101.141	1,011,407	12,588
912828KV1	U S TREASURY NOTE	US912828KV15	2.25%	05/31/2014	AAA	4.56	2.25%	0.30%	600,000	98.335	590,008	99.789	598,735	3,412
912828LD0	U S TREASURY NOTE	US912828LD08	3.25%	07/31/2016	AAA	6.34	3.20%	2.70%	5,250,000	100.785	5,291,199	101.563	5,332,037	14,845
SUBTOTAL								3.51%			6,872,248		6,942,178	30,845

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							Duration	Yield	Mkt Val		Price	USD Total	Price	USD Total	

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UNITED STATES

Currency/European Quote: 1.00000

BONDS (Duration > 1 Year, and/or Quality < BAA)

TREASURIES/AGENCIES

US TREASURY - REAL RETURN BONDS

912810PZ5	U S TREASURY INFLATE PROT BD	US912810PZ57	2.50%	01/15/2029	AAA	12.33	2.38%	0.37%	702,660	100.957	709,382	104.969	737,574	2,291
912828BD1	U S TREASURY INFLATE PROT BD	US912828BD18	1.88%	07/15/2013	AAA	2.98	1.84%	1.69%	3,285,576	98.303	3,229,810	101.844	3,346,155	8,035
912828GD6	U S TREASURY INFLATE PROT BD	US912828GD62	2.38%	01/15/2017	AAA	5.41	2.27%	0.51%	961,812	98.444	946,842	104.469	1,004,793	2,980
912828JX9	U S TREASURY INFLATE PROT BD	US912828JX99	2.13%	01/15/2019	AAA	6.79	2.06%	0.16%	301,140	99.796	300,526	103.094	310,457	835
SUBTOTAL								2.73%			5,186,560		5,398,979	14,141

US TREASURY FUTURES

FVZ900009	FIN FUT US 5YR CBT 12/31/09			01/01/2010	AAA	4.00		22.26%	38,200,000	114.396	43,699,408	115.250	44,025,500	0
TUZ900006	FIN FUT US 2YR CBT 12/31/2009			01/01/2010	AAA	1.70		10.39%	19,000,000	107.668	20,456,875	108.172	20,552,656	0
SUBTOTAL								32.65%			64,156,283		64,578,156	0
TOTAL TREASURIES/AGENCIES								38.89%			76,215,092		76,919,314	44,986

MORTGAGES

ADJUSTABLE RATE MORTGAGES

02660LAB6	AHMA 2006-4 1A12 ARM 1MLIB+21	US02660LAB62	0.48%	10/25/2046	AAA	0.00	1.15%	0.17%	829,511	57.730	478,877	41.334	342,873	77
05951EAM9	BAFC 2006-J 4A1 ARM WM36 WC6.3954	US05951EAM93	6.09%	01/20/2047	CAA	2.00	9.34%	0.20%	596,431	96.266	574,158	65.271	389,295	3,028
07384M4J8	BSARM 2004-10 22A1 ARM WM34 WC5.3125	US07384M4J85	4.97%	01/25/2035	AAA	1.50	5.38%	0.22%	460,103	96.450	443,769	92.474	425,473	1,906
07386HVS7	BALTA 2005-7 22A1 WM35 WC5.8338 ARM	US07386HVS74	5.49%	09/25/2035	AAA	0.75	7.95%	0.13%	367,063	98.500	361,557	69.090	253,602	1,679
07402FAA3	BSSP 2007-R6 1A1 ARM	US07402FAA30	5.64%	01/26/2036	AAA	1.00	9.63%	0.18%	601,810	99.469	598,612	58.563	352,438	2,830
12668PAA0	CWALT 2006-OA17 1A1A 1MLIB+19.5	US12668PAA03	0.47%	12/20/2046	A	0.00	1.02%	0.20%	857,670	59.150	507,312	45.688	391,850	134
17313QAL2	CMLTI 2007-10 22AA WM37 WC6.2536 ARM	US17313QAL23	5.99%	09/25/2037	AAA	1.00	10.65%	0.23%	821,229	69.730	572,643	56.210	461,609	4,097
466247LZ4	JPMMT 2005-A1 6T1 ARM WM33 WC5.2725	US466247LZ44	5.02%	02/25/2035	AAA	2.00	5.23%	0.19%	394,900	94.281	372,317	95.860	378,553	1,651
86360UAF3	SAMI 2006-AR6 2A1 1MLIB+19	US86360UAF30	0.46%	07/25/2046	AAA	0.00	0.93%	0.21%	832,049	60.730	505,303	49.213	409,474	74
92922F4M7	WAMU 2005-AR13 A1A 1MLIB+29	US92922F4M79	0.56%	10/25/2045	AAA	0.00	0.97%	0.07%	254,629	100.000	254,629	57.527	146,481	28
92925VAM2	WAMU 2007-HY1 4A1 WM35 WC5.851	US92925VAM28	5.39%	02/25/2037	CAA	1.00	7.51%	0.30%	817,186	74.730	610,683	71.803	586,766	3,670
92926WAA5	WAMU 2007-OA1 A1A ARM 1YCMT+70	US92926WAA53	1.91%	02/25/2047	AAA	0.00	4.05%	0.20%	840,503	54.730	460,007	47.197	396,693	1,338
SUBTOTAL								2.29%			5,739,866		4,535,107	20,511

ASSET BACKED SECURITIES

83611DAA6	SVHE 2006-NLC1 A1 144A 1MLIB+6	US83611DAA63	0.33%	11/25/2036	CAA	0.00	0.56%	0.03%	88,783	100.000	88,783	58.092	51,576	6
SUBTOTAL								0.03%			88,783		51,576	6

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BONDS (Duration > 1 Year, and/or Quality < BAA)

MORTGAGES

COLLATERALIZED MORTGAGE OBLIGATIONS

22540VK43	CSFB 2002-P1A A 1MLIB+63 AMBAC	US22540VK434	0.95%	03/25/2032	AAA	0.00	1.15%	0.02%	37,221	100.000	37,221	82.619	30,752	29
31396V4Q8	FNR 2007-73 A1 1MLIB+6	US31396V4Q81	0.33%	07/25/2037	AAA	0.00	0.36%	0.28%	620,647	98.875	613,665	90.208	559,876	39
93934EAA3	WAMU 2003-R1 A1 1MLIB+27	US93934EAA38	0.81%	12/25/2027	AAA	0.00	1.08%	0.49%	1,294,535	99.632	1,289,767	74.404	963,185	174
SUBTOTAL								0.79%			1,940,653		1,553,812	243

PASS-THRU CERTIFICATES

01F040693	FNMA TBA 4% SEP 30YR	US01F0406938	4.00%	09/14/2039	AAA	5.51		-1.98%	-4,000,000	94.750	-3,790,000	97.813	-3,912,500	0
01F042699	FNMA TBA 4.5% SEPT	US01F0426993	4.50%	09/14/2039	AAA	4.44		-0.81%	-1,600,000	98.125	-1,570,000	100.563	-1,609,000	0
01F050692	FNMA TBA 5.00% SEP	US01F0506927	5.00%	09/11/2039	AAA	3.36		0.00%	0	0.000	0	102.641	0	0
01F0506A9	FNMA TBA 5.00% OCT	US01F0506A92	5.00%	10/14/2039	AAA	3.36		-1.45%	-2,800,000	101.938	-2,854,250	102.266	-2,863,437	0
01N052699	GNMA I TBA 5.5% SEP	US01N0526994	5.50%	09/22/2039	AAA	2.36		0.26%	500,000	103.305	516,523	104.453	522,266	0
3128M6NB0	FHLMC GOLDCONV #G0-4586	US3128M6NB02	5.50%	04/01/2038	AAA	2.40	5.27%	0.38%	721,567	97.000	699,920	104.369	753,093	3,307
31402CPL0	FNMA PASS THRU MTG #725027	US31402CPL09	5.00%	11/01/2033	AAA	3.36	4.85%	0.46%	873,229	96.750	844,849	103.166	900,876	3,638
31407RBP8	FNMA PASS THRU MTG #838046	US31407RBP82	4.50%	09/01/2035	AAA	4.44	4.46%	0.39%	765,380	91.055	696,914	100.962	772,743	2,870
31407RY99	FNMA PASS THRU MTG #838736	US31407RY996	4.50%	09/01/2035	AAA	4.44	4.46%	0.29%	576,737	91.055	525,146	100.962	582,285	2,163
31409TT40	FNMA PASS THRU MTG #878171	US31409TT402	4.50%	07/01/2036	AAA	4.44	4.47%	0.05%	95,222	91.055	86,704	100.728	95,915	357
31410GWS8	FNMA PASS THRU MTG #889057	US31410GWS82	5.00%	09/01/2035	AAA	3.36	4.84%	0.98%	1,878,060	95.062	1,785,331	103.344	1,940,863	7,825
31416KLW6	FNMA PASS THRU MTG #AA2140	US31416KLW61	5.50%	01/01/2039	AAA	2.40	5.27%	0.05%	92,308	103.547	95,582	104.270	96,250	423
31416RS61	FNMA PASS THRU DWARF #AA7740	US31416RS619	4.00%	05/01/2024	AAA	3.56	3.96%	5.02%	9,822,809	101.250	9,945,594	101.115	9,932,293	32,743
36290SHU8	GNMA PASS THRU SGL FAML #615943X	US36290SHU87	4.50%	09/15/2033	AAA	4.27	4.43%	0.02%	43,743	92.688	40,545	101.663	44,471	164
SUBTOTAL								3.67%			7,022,859		7,256,116	53,491
TOTAL MORTGAGES								6.77%			14,792,161		13,396,610	74,250

CORPORATES

BANK CAPITAL

05565AAB9	BNP PARIBAS 144A FRN	US05565AAB98	7.20%	06/29/2049	AA-	11.03	8.32%	0.22%	500,000	61.750	308,750	86.500	432,500	6,595
404280AH2	HSBC HOLDINGS PLC GLBL SUB NT	US404280AH22	6.50%	09/15/2037	A+	13.32	6.26%	0.47%	900,000	95.584	860,259	103.758	933,821	26,975
780097AS0	RBS 144A	US780097AS09	6.99%	10/29/2049	BA-	5.37	14.25%	0.05%	200,000	50.500	101,000	49.060	98,121	5,670
SUBTOTAL								0.74%			1,270,009		1,464,442	39,240

DEFAULTED COUNTERPARTY CLAIM

LSIOPNTA5	LSI OPEN POSITION NET ASSET			12/31/2060		0.00		0.03%	245,943	100.000	245,943	25.000	61,486	0
SLHCOUSL2	SLH COLLATERAL DOM FWD LIBAILITY			12/31/2060		0.00		-0.71%	-1,400,000	100.000	-1,400,000	100.000	-1,400,000	0

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013817AL5	ALCOA INC	US013817AL50	5.55%	02/01/2017	BAA-	6.17	5.85%	0.62%	1,300,000	98.138	1,275,794	94.836	1,232,872	6,013
013817AS0	ALCOA INC NT	US013817AS04	6.75%	07/15/2018	BAA-	6.81	6.92%	0.44%	900,000	99.684	897,156	97.555	877,991	7,763

**PACIFIC INVESTMENT MANAGEMENT COMPANY**

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**BONDS (Duration > 1 Year, and/or Quality < BAA)**

**CORPORATES**

**INDUSTRIALS**

120569AA6	BUNGE NA FINANCE LP GLBL CO GTD	US120569AA64	5.90%	04/01/2017	BAA	6.22	6.15%	1.66%	3,419,000	96.322	3,293,249	95.923	3,279,607	84,050
13342BAC9	CAMERON INTL CORP GLBL SR NT	US13342BAC90	6.38%	07/15/2018	BAA+	6.98	6.19%	0.47%	900,000	101.869	916,821	103.060	927,542	7,331
205944AB7	CON-WAY INC SR UNSEC	US205944AB76	7.25%	01/15/2018	BAA-	6.46	7.15%	1.79%	3,500,000	102.683	3,593,905	101.393	3,548,762	32,424
257867AT8	RR DONNELLEY & SONS NT	US257867AT88	6.13%	01/15/2017	BAA	6.01	6.59%	0.80%	1,700,000	100.228	1,703,876	92.947	1,580,092	13,305
260543BV4	DOW CHEMICAL COMPANY NT	US260543BV48	5.70%	05/15/2018	BAA-	6.94	6.07%	1.33%	2,800,000	99.553	2,787,484	93.946	2,630,488	46,993
28336LAV1	EL PASO CORP	US28336LAV18	7.75%	06/15/2010	BA-	0.77	7.68%	0.13%	250,000	94.503	236,258	100.892	252,230	4,090
50075NAS3	KRAFT FOODS INC SR UNSEC	US50075NAS36	6.50%	08/11/2017	BAA+	6.46	5.80%	0.11%	200,000	104.831	209,662	112.034	224,067	722
50075NAU8	KRAFT FOODS INC NT	US50075NAU81	6.13%	02/01/2018	BAA+	6.83	5.59%	0.17%	300,000	99.805	299,416	109.620	328,859	1,531
532716AM9	LIMITED BRANDS	US532716AM92	6.90%	07/15/2017	BA	6.13	7.55%	0.79%	1,700,000	94.700	1,609,900	91.395	1,553,722	14,988
620076AZ2	MOTOROLA INC SR NT	US620076AZ29	6.00%	11/15/2017	BAA-	6.54	6.57%	0.23%	500,000	94.765	473,827	91.345	456,725	8,833
651229AJ5	NEWELL RUBBERMAID INC SR UNSECURI	US651229AJ53	10.60%	04/15/2019	BAA-	6.52	9.08%	0.29%	500,000	105.250	526,250	116.680	583,398	22,231
761713AD8	REYNOLDS AMERICAN INC GLBL CO GTD	US761713AD83	7.25%	06/01/2013	BAA	3.36	6.80%	0.49%	900,000	104.478	940,302	106.686	960,170	16,313
761713AF3	REYNOLDS AMERICAN INC GLBL CO GTD	US761713AF32	7.75%	06/01/2018	BAA	6.60	7.40%	0.37%	700,000	107.822	754,754	104.661	732,626	13,563
761713AU0	REYNOLDS AMERICAN INC BD	US761713AU09	6.75%	06/15/2017	BAA	6.22	6.61%	0.31%	600,000	99.908	599,448	102.047	612,284	8,550
87612EAU0	TARGET CORP GLBL BD	US87612EAU01	7.00%	01/15/2038	A+	13.57	6.05%	0.18%	300,000	99.318	297,954	115.741	347,224	2,683
902133AH0	TYCO ELECTRONICS GROUP S SR NT	US902133AH08	5.95%	01/15/2014	BAA	3.92	5.85%	0.51%	1,000,000	99.972	999,720	101.660	1,016,599	7,603
92343VAB0	VERIZON COMMUNICATIONS GLBL NT	US92343VAB09	5.35%	02/15/2011	A	1.41	5.10%	0.64%	1,200,000	99.779	1,197,348	104.829	1,257,950	2,853
<b>SUBTOTAL</b>								<b>11.33%</b>			<b>22,613,124</b>		<b>22,403,207</b>	<b>301,839</b>

**PRIVATE PLACEMENTS**

740816AG8	HARVARD UNIVERSITY BD 144A	US740816AG80	6.50%	01/15/2039	AAA	14.46	5.55%	0.12%	200,000	99.635	199,270	117.176	234,352	1,661
<b>SUBTOTAL</b>								<b>0.12%</b>			<b>199,270</b>		<b>234,352</b>	<b>1,661</b>
<b>TOTAL CORPORATES</b>								<b>22.96%</b>			<b>47,971,365</b>		<b>45,424,536</b>	<b>761,103</b>

**EUROS / YANKEES**

**EUROS / YANKEES**

25152CMN3	DEUTSCHE BANK AG LONDON NT	US25152CMN38	6.00%	09/01/2017	AA+	6.56	5.63%	0.75%	1,400,000	104.026	1,456,364	106.624	1,492,742	42,000
57069PAC6	MARKS & SPENCER PLC SR SUBORD 144A	US57069PAC68	6.25%	12/01/2017	BAA-	6.55	6.50%	0.83%	1,700,000	99.343	1,688,831	96.097	1,633,646	26,563
826200AD9	SIEMENS FIN CO GTD 144A	US826200AD92	6.13%	08/17/2026	A+	11.08	5.64%	0.22%	400,000	99.937	399,748	108.518	434,072	953
<b>SUBTOTAL</b>								<b>1.80%</b>			<b>3,544,943</b>		<b>3,560,460</b>	<b>69,515</b>
<b>TOTAL EUROS / YANKEES</b>								<b>1.80%</b>			<b>3,544,943</b>		<b>3,560,460</b>	<b>69,515</b>

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CUSIP	Description	ISIN	Coupon	Maturity	Rating	Effective Duration	Current Yield	% of Mkt Val	Par/Shares	Price	Cost USD Total	Market Price	Market USD Total	Accrued Interest
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Currency/American Quote:1.00000

UNITED STATES

Currency/European Quote:1.00000

BONDS (Duration > 1 Year, and/or Quality < BAA)

SWAPS

INTEREST RATE SWAPS - RECEIVE FIXED

SWU0510L4	IRS USD R 3ML/4.0 12/16/09 RYL RECEIVE			12/16/2014	AAA	4.62	0.02%		900,000	2.138	19,238	4.711	42,396	0
SWU0540L8	IRS USD R 3ML/4.0 12/16/09 BRC RECEIVE			12/16/2014	AAA	4.62	0.12%		5,000,000	3.938	196,875	4.711	235,536	0
SUBTOTAL							0.14%				216,113		277,932	0
TOTAL SWAPS							0.14%				216,113		277,932	0

MUNICIPALS

MUNICIPALS

13063ACR3	CALIFORNIA ST	US13063ACR32	5.00%	06/01/2037	A	14.06	5.26%	0.05%	100,000	99.839	99,839	95.100	95,100	1,250
13063AJH8	CA ST VAR PURP	US13063AJH86	5.00%	11/01/2032	A	13.02	5.16%	0.25%	500,000	99.431	497,155	96.925	484,625	8,333
13063AJK1	CA ST VAR PURP	US13063AJK16	5.00%	11/01/2037	A	14.14	5.26%	0.19%	400,000	99.839	399,356	95.069	380,276	6,667
13063AVC5	CA ST-VAR PURP	US13063AVC51	5.00%	12/01/2037	A	14.25	5.26%	0.05%	100,000	99.875	99,875	95.062	95,062	1,250
167725AC4	CHICAGO TRANSIT AUTH	US167725AC49	6.90%	12/01/2040	AA+	12.51	6.29%	0.33%	600,000	100.000	600,000	109.622	657,732	10,349
167725AF7	CHICAGO TRANSIT AUTH	US167725AF79	6.90%	12/01/2040	AA+	12.28	6.33%	0.39%	700,000	100.000	700,000	108.954	762,678	12,073
343136L70	FL TPK AUTH-B BAB	US343136L705	6.80%	07/01/2039	AA	10.07	6.53%	0.11%	200,000	99.617	199,234	104.206	208,412	1,964
64972FYN0	NYC W/S 2ND GEN-DD	US64972FYN04	5.75%	06/15/2040	AA+	13.10	5.29%	0.44%	800,000	94.791	758,328	108.752	870,016	9,711
73358WAH7	PORT AUTH NY/NJ- 158 CR GO OF AUTH	US73358WAH79	5.86%	12/01/2024	AA-	10.53	5.45%	0.16%	300,000	100.000	300,000	107.416	322,248	2,930
SUBTOTAL							1.96%				3,653,787		3,876,149	54,527
TOTAL MUNICIPALS							1.96%				3,653,787		3,876,149	54,527

MUTUAL FUNDS

MUTUAL FUNDS

722005246	PIMCO PRIV DEVELOPING LOC MKT (718)		2.55%	05/01/2010	AA-	0.57	2.55%	2.00%	712,683	6.096	4,344,788	5.550	3,955,389	0
SUBTOTAL							2.00%				4,344,788		3,955,389	0
TOTAL MUTUAL FUNDS							2.00%				4,344,788		3,955,389	0

PACIFIC INVESTMENT MANAGEMENT COMPANY

Account No: 1420 State of Montana Public Employee Deferred Comp Plan

Portfolio Inventory

As Of Date: 08/31/2009

CUSIP	Description	ISIN	Coupon	Maturity	Rating	Duration	Effective Yield	% of Mkt Val	Par/Shares	Cost		Market		Accrued Interest
										Price	USD Total	Price	USD Total	

Currency/American Quote:1.00000

UNITED STATES

Currency/European Quote:1.00000

BONDS (Duration > 1 Year, and/or Quality < BAA)

GLOBAL POOLED FUNDS

POOLED FUNDS

722005840	PIMCO PRIV EMERG MKT SECT(781)		3.08%	04/01/2015	BA	3.63	3.08%	0.41%	86,979	10.100	878,466	9.260	805,425	0
SUBTOTAL								0.41%			878,466		805,425	0
TOTAL GLOBAL POOLED FUNDS								0.41%			878,466		805,425	0

CREDIT DEFAULT SWAPS

BUY PROTECTION

SWPC01T87	CAMERON INTL NS BP DUB PAY	-0.82%	09/20/2018	BAA+	0.00		0.02%	900,000	0.000		0	4.973	44,753	-1,456
SWPC059A5	LIMITED BRANDS NEGB SNR NS BP MYC F	-3.50%	09/20/2017	BA	0.00		-0.01%	1,700,000	0.000		0	-1.312	-22,303	-11,735
SWPC06L68	TYCO ELECTRONICS GROUP SA NEGB NS	-1.10%	03/20/2014	BAA	0.00		-0.00%	1,000,000	0.000		0	-0.784	-7,835	-2,169
SWPC11715	TARGET CORP NEGB NS NS BP MYC PAY	-1.20%	03/20/2018	A+	0.00		-0.02%	1,200,000	0.000		0	-2.564	-30,770	-2,840
SWPC11723	TARGET CORP NEGB NS NS BP GST PAY	-1.18%	03/20/2018	A+	0.00		-0.01%	1,200,000	0.000		0	-2.419	-29,031	-2,793
SWPC122A8	KRAFT FOODS INC SNR NS BP GST PAY	-0.95%	09/20/2018	BAA+	0.00		-0.02%	900,000	0.000		0	-4.589	-41,301	-1,686
SWPC30F99	REYNOLDS AMERICAN NS BP BRC PAY	-1.20%	06/20/2013	BAA	0.00		0.01%	900,000	0.000		0	3.062	27,559	-2,130
SWPC34790	BUNGE NA FINANCE LP NS BP JPM PAY	-0.85%	06/20/2017	BAA	0.00		0.06%	3,419,000	0.000		0	3.603	123,196	-5,732
SWPC36100	AMERICAN GENERAL FIN NEGB SNR NS E	-1.30%	12/20/2017	BAA-	0.00		0.35%	1,700,000	0.000		0	40.194	683,306	-4,359
SWPC36423	CON-WAY INC NEGB NS BP BOA PAY	-1.83%	03/20/2018	BAA-	0.00		-0.08%	3,500,000	0.000		0	-4.437	-155,286	-12,660
SWPC37330	AMERICAN GEN FIN NS BP MEI PAY	-1.37%	12/20/2017	BAA-	0.00		0.36%	1,800,000	0.000		0	39.920	718,559	-4,864
SWPC39567	KRAFT FOODS NEGB SNR NS BP DUB PAY	-0.59%	09/20/2017	BAA+	0.00		-0.00%	200,000	0.000		0	-1.662	-3,325	-233
SWPC39898	MARKS & SPENCER PLC NEGB NS BP RYL	-0.95%	12/20/2017	BAA-	0.00		0.02%	1,700,000	0.000		0	2.481	42,180	-3,185
SWPC39906	ALCOA INC NEGB NS BP BOA PAY	-0.56%	03/20/2017	BAA-	0.00		0.09%	1,300,000	0.000		0	13.575	176,472	-1,436
SWPC40292	RR DONNELLEY NEGB NS BP BOA PAY	-0.80%	03/20/2017	BAA	0.00		0.12%	1,700,000	0.000		0	14.405	244,886	-2,682
SWPC44278	MOTOROLA NS BP RYL PAY	-3.60%	12/20/2017	BAA-	0.00		-0.01%	200,000	0.000		0	-11.520	-23,040	-1,420
SWPC45788	CDX HY8 5Y 25-35% BP CBK PAY	-1.63%	06/20/2012	AA	0.00		0.05%	500,000	0.000		0	18.261	91,305	-1,607
SWPC501C5	CDX IG12 5Y BP DUB PAY	-1.00%	06/20/2014	BAA+	0.00		0.01%	1,600,000	3.373	53,960	0.822		13,147	-3,156
SWPC57452	NEWELL RUBBERMAID NS BP NEGB UAG I	-0.48%	06/20/2017	BAA-	0.00		0.01%	200,000	0.000		0	9.137	18,273	-189
SWPC66354	NEWELL RUBBERMAID NS BP NEGB RYL F	-0.49%	06/20/2017	BAA-	0.00		0.01%	300,000	0.000		0	9.105	27,314	-287
SWPC82310	CDX IG9 10Y BP BRC PAY	-0.80%	12/20/2017	BAA+	0.00		0.02%	780,800	1.308	10,213	4.454		34,780	-1,232
SWPC87657	CDX IG5 7YR 10-15% BP MYC PAY	-0.14%	12/20/2012	AAA	0.00		0.04%	900,000	0.000		0	8.912	80,208	-253
SWPC87764	CDX IG5 7YR 10-15% BP MYC PAY	-0.14%	12/20/2012	AAA	0.00		0.14%	3,000,000	0.000		0	8.912	267,361	-843
SWPC95C12	MOTOROLA NS BP MYC PAY	-3.55%	12/20/2017	BAA-	0.00		-0.02%	300,000	0.000		0	-11.185	-33,556	-2,100
SWPC95R16	CDX IG10 10Y BP DUB PAY	-1.50%	06/20/2018	BAA+	0.00		-0.00%	683,200	-1.715	-11,717	-0.300		-2,052	-2,021
SWPC95R73	CDX IG10 10Y BP MYC PAY	-1.50%	06/20/2018	BAA+	0.00		-0.00%	1,073,600	-1.057	-11,353	-0.300		-3,224	-3,176

PACIFIC INVESTMENT MANAGEMENT COMPANY

Account No: 1420 State of Montana Public Employee Deferred Comp Plan

Portfolio Inventory

As Of Date: 08/31/2009

CUSIP	Description	ISIN	Coupon	Maturity	Rating	Effective Duration	Current Yield	% of Mkt Val	Par/Shares	Price	Cost USD Total	Market Price	Market USD Total	Accrued Interest
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Currency/American Quote:1.00000

UNITED STATES

Currency/European Quote:1.00000

BONDS (Duration > 1 Year, and/or Quality < BAA)

CREDIT DEFAULT SWAPS

BUY PROTECTION

SWPC96W83	CDX IG9 10Y BP RYL PAY	-0.80%	12/20/2017	BAA+	0.00	0.02%	683,200	1.457	9,957	4.454	30,432	-1,078
SUBTOTAL						1.15%			51,060		2,272,009	-77,321

SELL PROTECTION

SWPC00379	ABX.HE.AAA.06-1 SP DUB RECEIVE	0.18%	07/25/2045	AAA	0.00	-0.06%	459,718	-11.227	-51,613	-26.375	-121,251	83
SWPC238B7	CIT GROUP INC SR NT SNR NS SP JPM RI	5.00%	06/20/2010	CA	0.00	-0.02%	100,000	-18.500	-18,500	-44.690	-44,690	986
SWPC41753	GOLDMAN SACHS GR INC NS SP JPM REC	0.58%	09/20/2017	A+	0.00	-0.08%	3,200,000	0.000	0	-5.006	-160,182	3,660
SWPC42785	RESIDENTIAL CAPITAL NS SP UAG RECEI	6.35%	03/20/2017	CA	0.00	-0.04%	250,000	0.000	0	-30.348	-75,869	3,131
SWPC44112	CDX IG9 5Y 15-30% SP MYC RECEIVE	1.34%	12/20/2012	BAA+	0.00	0.00%	100,000	0.000	0	2.254	2,254	264
SWPC53980	MORGAN STANLEY NS SP BPS RECEIVE	0.87%	09/20/2012	A	0.00	-0.03%	2,000,000	0.000	0	-2.734	-54,676	3,432
SWPC78748	ABX.HE.AAA.06-2 SP GST RECEIVE	0.11%	05/25/2046	AAA	0.00	-2.06%	6,368,211	-22.545	-1,435,710	-64.000	-4,075,655	697
SWPC81171	CDX IG5 10YR 10-15% SP MYC RECEIVE	0.46%	12/20/2015	AAA	0.00	-0.06%	670,000	0.000	0	-18.727	-125,470	605
SWPC87756	CDX IG5 10YR 10-15% SP MYC RECEIVE	0.46%	12/20/2015	AAA	0.00	-0.20%	2,100,000	0.000	0	-18.700	-392,704	1,916
SUBTOTAL						-2.55%			-1,505,823		-5,048,242	14,774
TOTAL CREDIT DEFAULT SWAPS						-1.40%			-1,454,763		-2,776,233	-62,547

TOTAL BONDS (Duration > 1 Year, and/or Quality < BAA)

73.52%

150,161,952

145,439,581

941,833

MONEY MARKET FUTURES CONTRACTS

TREASURIES/AGENCIES

MONEY MARKET FUTURES

EDH000009	FIN FUT EURO\$ CME 03/15/10		03/16/2010	AAA	0.25	113.43%	226,000,000	96.975	219,164,500	99.285	224,384,100	0
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PACIFIC INVESTMENT MANAGEMENT COMPANY

Account No: 1420 State of Montana Public Employee Deferred Comp Plan

Portfolio Inventory

As Of Date: 08/31/2009

CUSIP	Description	ISIN	Coupon	Maturity	Rating	Effective Duration	Current Yield	% of Mkt Val	Par/Shares	Price	Cost USD Total	Market Price	Market USD Total	Accrued Interest
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Currency/American Quote:1.00000

UNITED STATES

Currency/European Quote:1.00000

MONEY MARKET FUTURES CONTRACTS

TREASURIES/AGENCIES

MONEY MARKET FUTURES

EDU000004	FIN FUT EURO\$ CME 09/13/10	09/14/2010	AAA	0.25		20.41%		41,000,000	98.385	40,337,850	98.490	40,380,900	0
SUBTOTAL						133.85%				259,502,350		264,765,000	0
TOTAL TREASURIES/AGENCIES						133.85%				259,502,350		264,765,000	0
TOTAL MONEY MARKET FUTURES CONTRACTS						133.85%				259,502,350		264,765,000	0
TOTAL UNITED STATES						260.44%				515,277,727		515,185,407	1,064,968

<b><u>TOTAL ACCOUNT SUMMARY</u></b>		
TOTAL POSITIONS HELD	<i>(excluding Cash Equivalents)</i>	145,978,051.77
CASH EQUIVALENT ASSETS		
CASH EQUIVALENT SECURITIES		104,442,356.54
CURRENCY FORWARD POSITIONS		0.00
NET MONEY MARKET FUTURES POSITIONS <sup>1</sup>		66,191,250.00
INTEREST AND DIVIDENDS ACCRUED / RECEIVABLE		1,064,967.65
RESIDUAL CASH		10.49
OTHER ASSETS / LIABILITIES		
NET MONEY MARKET FUTURES (DUE TO) / DUE FROM BROKER <sup>1</sup>		(66,191,250.00)
NET BOND/STOCK EQUIVALENT FUTURES (DUE TO) / DUE FROM BROKER		(64,578,156.25)
NET UNSETTLED TRADES (DUE TO) / DUE FROM BROKER	<i>(including Currency)</i>	13,735,846.41
BROKER CASH COLLATERAL RECEIVED		(2,830,409.81)
<b>NET ACCOUNTING VALUE (USD)</b>		<b>197,812,666.80</b>

1. The notional amount of money market futures is divided by the term of the underlying interest rate to properly reflect exposure. Eurodollar futures, based on an annualized 3-month interest rate, are divided by 4; Fed funds futures, based on an annualized 1-month rate, are divided by 12.

**CASH EQUIVALENT SUMMARY****CASH EQUIVALENT SECURITIES HELD**

SHORT TERM INVESTMENT FUNDS	871,116.43
OTHER CASH EQUIVALENT SECURITIES	103,571,240.11
<b>TOTAL CASH EQUIVALENT SECURITIES HELD</b>	<b>104,442,356.54</b>

**OTHER CASH EQUIVALENTS**

RESIDUAL CASH	10.49
INTEREST AND DIVIDENDS ACCRUED / RECEIVABLE	1,064,967.65
<b>TOTAL OTHER CASH EQUIVALENTS</b>	<b>1,064,978.14</b>

<b>TOTAL CASH AND CASH EQUIVALENT ASSETS</b>	<b>105,507,334.68</b>
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**OTHER ASSETS AND LIABILITIES**

CURRENCY FORWARD POSITIONS	0.00
NET CURRENCY FORWARDS (DUE TO) / DUE FROM BROKER	0.00
NET UNSETTLED TRADES (DUE TO) / DUE FROM BROKER	13,735,846.41
NET MONEY MARKET FUTURES POSITIONS	66,191,250.00
NET MONEY MARKET FUTURES (DUE TO) / DUE FROM BROKER	(66,191,250.00)
NET BOND/STOCK EQUIVALENT FUTURES (DUE TO) / DUE FROM BROKER	(64,578,156.25)
BROKER CASH COLLATERAL RECEIVED	(2,830,409.81)
SWAPS ADJUSTMENT TO BOND EXPOSURE <sup>2</sup>	6,391,871.47
<b>TOTAL OTHER ASSETS AND LIABILITIES</b>	<b>(47,280,848.18)</b>

<b>NET CASH EQUIVALENTS AVAILABLE FOR INVESTMENT (USD)</b>	<b>58,226,486.50</b>
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2. Represents the offsetting exposure of the floating-rate leg of interest rate, index, and total return swaps, and the implied liability/asset associated with credit default swaps.

## Derivatives Summary

## State of Montana Public Employee Deferred Comp Plan

Derivatives As of 08/31/2009	% of Duration	% of Mkt Value	Characteristics of Derivatives	Control Measures
<b><u>Bond-Equivalent Derivatives</u></b>				
<b>Government Futures</b>	<b>26.6</b>	<b>32.7</b>	Used to adjust interest rate exposures and replicate government bond positions. May offer opportunity to outperform due to active management of the liquid portfolio backing the exposure.	Bond-equivalent exposure included in portfolio duration. Back net long futures positions with high grade, liquid debt securities.
U. S.	26.6	32.7		
Non - U.S.	0.0	0.0		
<b>Interest Rate Swaps</b>	<b>3.6</b>	<b>3.1</b>	Includes Swaps with duration greater than 1 year. Used to adjust interest rate and yield curve exposures and substitute for physical securities. Long swap positions ("receive fixed") increase exposure to long-term interest rates; short positions ("pay fixed") decrease exposure.	Bond-equivalent exposure included in portfolio duration. Back net long swaps positions with high grade, liquid debt securities.
Receive	3.6	3.1		
Pay	0.0	0.0		
<b>Credit Default Swaps</b>	<b>0.0</b>	<b>-10.6</b>	Credit default swaps are used to manage credit exposure without buying or selling securities outright. Written CDS increase credit exposure ("selling protection"), obligating the portfolio to buy bonds from counterparties in the event of a default. Purchased CDS decrease exposure ("buying protection"), providing the right to "put" bonds to the counterparty in the event of a default.	Bond-equivalent exposure included in portfolio credit risk measures. Back net long exposures with high grade, liquid debt securities. Continually monitor underlying credit exposure.
Written	0.0	5.2		
Purchased	0.0	-15.7		
<b>Option Premiums</b>	<b>0.0</b>	<b>0.0</b>	Purchased options are used to manage interest rate and volatility exposures. Written options generate income in expected interest rate scenarios and may generate capital losses if unexpected interest rate environments are realized. Both written and purchased options will become worthless at expiration if the underlying instrument does not reach the strike price of the option.	Bond-equivalent exposure included in portfolio duration (weighted by volatility relative to underlying instrument). In-the-money portion of written options covered by high grade, liquid debt securities.
Written	0.0	0.0		
Purchased	0.0	0.0		
<b>Mortgage Derivatives</b>	<b>0.0</b>	<b>0.0</b>	Used to manage portfolio duration and/or enhance yield. Includes securities determined by PIMCO to have potentially less stable duration characteristics, such as Interest Only strips (IOs), Principal Only strips (POs), Support Class CMOs and Inverse Floaters. Value will fluctuate as prepayment speeds respond to rising and falling interest rates.	Bond exposure included in portfolio duration, convexity, and prepayment risk measures. Use IOs' and POs' in moderation and in an overall portfolio context.
<b>Total Bond-Equiv. Derivatives:</b>	<b>30.2 %</b>	<b>25.2 %</b>		
<b><u>Money Market Derivatives</u></b>	<b>8.4</b>	<b>33.5</b>	Used to manage exposures at the front end of the yield curve. Includes Swaps with duration of 1 year or less, and Eurodollar, Euribor and other futures based on short-term interest rates. The notional amount of money market futures is divided by the term of the underlying interest rate to properly reflect the exposure. Eurodollar futures, based on an annualized 3-month interest rate, are divided by 4; Fed funds futures, based on an annualized 1-month rate, are divided by 12.	Bond-equivalent exposure included in portfolio duration. Money market futures are based on short-term interest rates and don't require delivery of an asset at expiration, therefore do not require cash backing.
Futures	8.4	33.5		
Interest Rate Swaps	0.0	0.0		

# Portfolio Risk Measures

## State of Montana Public Employee Deferred Comp Plan

Risk Measures (yrs)	08/31/2009	Definitions of Risk Measures	
<u>Interest Rate Exposures:</u>			
<u>Effective Duration</u>			
Portfolio	4.01	A portfolio's price sensitivity to changes in interest rates. An accurate predictor of price changes only for small, parallel shifts of the yield curve. For every 1 basis point fall (rise) in interest rates, a portfolio with duration of 1 year will rise (fall) in price by 1 bp.	
Benchmark	3.90		
<u>Bull Market Duration</u>			
Portfolio	3.95	A portfolio's effective duration after a 50 bp decline in rates. The extent to which a portfolio's duration exceeds its bull market duration is a gauge of contraction risk.	
Benchmark	3.91		
<u>Bear Market Duration</u>			
Portfolio	4.07	A portfolio's effective duration after a 50 bp rise in rates. The extent to which a Portfolio's bear market duration exceeds its duration is a gauge of extension risk.	
Benchmark	3.89		
<u>Total Curve Duration</u>			
	-0.17	A portfolio's price sensitivity relative to the benchmark to changes in the slope of the yield curve, measured between the 2-30 year Treasury yields, holding the 10-year yield constant. For every 1 bp of steepening (flattening), a portfolio with curve duration of 1 year will rise (fall) in price by 1 bp relative to the benchmark.	
<u>Sector Exposures:</u>			
<u>Mortgage Spread Duration</u>			
Portfolio	0.92	Spread duration represents a portfolio's sensitivity to changes in option-adjusted spread (OAS), which affects the value of bonds that trade at a yield spread to Treasuries. Corporate, Mortgage, and Emerging Markets spread duration represents the contribution of each sector to the overall portfolio spread duration. For every 1 year of spread duration, portfolio value should rise (fall) by 1 basis point with every 1 basis point of OAS tightening (widening). Negative spread duration indicates the portfolio will benefit from widening spreads relative to Treasuries.	
Benchmark	0.00		
<u>Corporate Spread Duration</u>			
Portfolio	0.98		
Benchmark	1.39		
<u>EM Spread Duration</u>			
Portfolio	0.02		
Benchmark	0.08		
<u>Swap Spread Duration</u>			
Portfolio	0.48		The contribution of provincials, agencies, and swaps to spread duration. Includes the impact of non-swap instruments that are sensitive to swap spreads.
Benchmark	0.67		

## DISCLOSURE

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949-720-6000

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## **DISCLOSURES, CONTINUED**

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# ACCOUNTING REPORT GLOSSARY

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Pacific Investment Management Company employs a TRADE DATE-BASIS, ACCRUAL-BASIS, double-entry accounting system. Since many custodian statements are based on settlement date-basis, or cash-basis accounting systems, there may be some confusion as to what information is contained under various headings in our accounting reports. Therefore, we have defined many of the terms as we use them in our statements.

<b>Amount -</b>	Value given / received when security was bought / sold.
<b>Broker -</b>	PIMCO internal code.
<b>Broker Cash Collateral Received -</b>	In the form of cash, the amount of collateral that has been pledged & received from authorized Counterparties (Initial Cash Collateral Amount + Accrued Interest).
<b>Cash Equivalents (Duration &lt;=1 year) -</b>	<p>PIMCO defines Cash Equivalent securities as liquid securities of investment grade quality with duration of 1 year or less. Duration of 1 year or less is usually attributed to the following classes of securities:</p> <ul style="list-style-type: none"><li>• Overnight securities and instruments with final maturity dates within one year, including but not limited to Short Term Investment Funds, repurchase agreements, commercial paper, certificates of deposit, Treasury bills, etc.</li><li>• Adjustable Rate and Floating Rate instruments with interest reset periods of 1 year or less exhibiting price volatility commensurate with the reset frequency.</li><li>• Fixed rate instruments with coupon rates and/or prepayment features leading to market expectations of substantial repayment within 1 year and exhibiting price volatility commensurate with this expectation.</li></ul>
<b>Cost Amount -</b>	This is the original cost of a position. When a position consists of several "lots" purchased at different prices, it is the total cost of the lots. Any expenses associated with an acquisition (i.e., postage, insurance, commissions) are included in Cost Amount.
<b>Dividend Rate -</b>	In the case of bonds, it is the coupon rate on the bonds. In the case of stocks, it is the current annual dividend amount per share expressed in dollars. Finally, in the case of cash equivalents, it is the annualized yield. The rate reported for commingled short-term investment funds is the annualized yield as of the date of the statement.
<b>Dividends Receivable -</b>	When a stock goes ex-dividend, we show the dividend as receivable. It is automatically posted to cash on the dividend payment date.
<b>Due To/From Broker -</b>	This aggregates items which have been bought/sold, including short sales (forward pass-through buys/sales). They are included/removed from the inventory as of the Trade Date, but posting to cash does not occur until Settlement Date.
<b>Duration -</b>	Measures the sensitivity of a bond or portfolio's price to changes in interest rates. The calculation of duration incorporates yield, coupon, final maturity and call features into one measure.
<b>Exchange rate -</b>	The relative value of one currency to the U.S. dollar.
<b>Factor -</b>	The multiple of original face outstanding at the time of purchase or sale.
<b>Futures Long / Futures Short -</b>	Refers to aggregate market value positions in financial futures contracts either held for future delivery into account (Futures Long) or the future delivery of financial instruments from account (Futures Short).
<b>IND % -</b>	Refers to percent of asset classification (i.e., Cash and Cash equivalents, Bonds, Equities).
<b>Int. B/S -</b>	Interest bought or sold.
<b>Interest Receivable -</b>	Interest income impacts the portfolio as soon as it is earned.
<b>Market Amount -</b>	Market Price times Quantity.
<b>Market Price -</b>	<p>Closing prices on most securities are obtained from vendors such as Interactive Data Corp., Merrill Lynch, and Bear Street Software. PIMCO also has an internal duration model that calculates prices based on a treasury yield spread. Market prices are also obtained from other services such as Bloomberg, Reuters and various market makers.</p>
<b>NAV % -</b>	Refers to percent of Total Account Market Value.
<b>Net Unsettled Trades -</b>	This is the sum of any Due-To-Broker and Due-From-Broker amounts. The actual item purchased shows in the inventory listing as of the Trade Date. The payable is automatically posted against cash on Settlement Date.
<b>Original Face -</b>	Value of asset pool at time of origination.
<b>Pay Code -</b>	"S" indicates transaction has settled.
<b>Paydowns -</b>	Include all pass-through principal payments.
<b>Payups -</b>	Included are regular additions to GNMA Graduated-Payment Mortgage principal balances, as well as some CMOs.



<b>Price -</b>	Value of security at the time of purchase or sale.
<b>Principal -</b>	Original face multiplied by factor price.
<b>Share / Par -</b>	Refers to par value in the case of bonds, and number of shares in the case of stocks.
<b>Short Sales -</b>	We are using this feature of our system to reflect forward pass-through sales prior to the availability of pool factors. They are reflected in the portfolio inventory beneath the long position as negative.
<b>Total Cash Less Unsettled Trades -</b>	This refers to all items in the Cash Accounts section of the inventory, less any Due-To-Broker and Due-From-Broker Amounts.
<b>Total Cost -</b>	This is the total original cost of positions. When positions consists of several "lots" purchased at different prices, it is the total cost of the lots.
<b>Unit Cost -</b>	This is Cost Amount divided by Quantity times 100.
<b>Yield -</b>	The rate of annual income return on an investment expressed as a percentage. Current yield is obtained by dividing the coupon rate of interest by the market price. Estimated yield to maturity is obtained by applying discounts and premiums from par to the income return. Bond yields move inversely to market prices. As market prices rise, yields on existing securities fall, and vice versa.

# EXPLANATION OF PIMCO'S ACCOUNTING TREATMENT OF FINANCIAL FUTURES POSITIONS

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Accounting conventions for handling futures contract positions require that all open futures positions be disclosed as memo items on balance sheet statements (i.e., there is no cost or market value associated with a position). Although this approach discloses the existence of futures positions, it is not helpful in gauging the volatility characteristics of the portfolio. For example, a \$100,000 portfolio of cash that is also "long" one Treasury Bond futures contract at a price of 100 (equates to owning \$100,000 of Treasury Bonds) would look as follows:

## **PORTFOLIO INVENTORY AS OF August 31, 2009**

Cash	\$100,000
Long One Treasury Bond Future	- -
TOTAL	\$100,000

Viewing the above statement may give the impression that the portfolio is a conservative one, because all of its assets are in cash. However, being long the bond futures contract means that the value of the portfolio will fluctuate similar to a 30-year bond. Therefore, in order to reflect the economic impact of our futures positions, we prefer to value them for portfolio inventory purposes at their market value. Then, to avoid double-counting, the value of the futures positions is offset with a contra-account liability (Futures - Long Positions).

The example above would look as follows according to our methodology :

## **PORTFOLIO INVENTORY AS OF August 31, 2009**

Cash	\$100,000
Long One Treasury Bond Future	\$100,000
Futures - Long Positions	(100,000)
TOTAL	\$100,000

By valuing the portfolio's futures positions in this manner, it is easy to grasp their impact and size. In this case, comparing the \$100,000 futures positions to the total portfolio value of \$100,000 indicates that the portfolio is essentially 100% invested in long bonds.

